



PROGRAM UPDATE

Office of Worker and Community Transition United States Department of Energy April - June 2002

WORK FORCE RESTRUCTURING ACTIVITIES

Work Force Restructuring Program by Westinghouse Savannah River Company

March

An Early Retirement Incentive (ERI) Program which was announced as part of the Work Force Restructuring Program for 2002/2003 by Westinghouse Savannah River Corporation in February 2001, closed on March 21, 2002. The ERI was accepted by 385 employees.

April

A Voluntary Separation Program (VSP) which was announced as part of the Work Force Restructuring Program for 2002/2003 by Westinghouse Savannah River Corporation in February 2001, closed on April 12, 2002. The VSP was accepted by 122 employees.

Work Force Restructuring at Portsmouth

The Department of Energy (DOE) was notified by the United States Enrichment Corporation (USEC) that, as a result of the company's decision to consolidate its transfer and shipping operations at the Paducah Gaseous Diffusion Plant, which began April 2002, up to 140 positions will be eliminated this summer at the Portsmouth Plant in Ohio. The Office of Worker and Community Transition is working with other program offices to consider how DOE can best mitigate the impacts of the layoffs.

COMMUNITY TRANSITION ACTIVITIES

Competitive Grants

The Office of Worker and Community Transition (the Office) of the Department of Energy is making available a minimum of \$5.0 million to eligible community reuse organizations (CROs) to fund community transition activities in FY 2002. Funds will be made available in the form of competitive grants, pursuant to funding protocols developed by the CROs and adopted by the Office on June 3, 2002. The following describes the competitive grant process.



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Available Funds: Minimum funds available for all competitive grants in FY 2002 are \$5.0 million allocated as follows:

- Small Capital Program-\$3.25 million
- Large Capital Program-\$1.75 million

Specific Program Description:

Small Capital for FY 2002 – The small capital program makes awards up to a maximum of \$200,000 for discrete community economic development projects consistent with adopted community transition plans. Projects may be proposed in two categories, “direct benefit” and “capacity building.”

- “Direct benefit” economic development projects are those that result in traditional, measurable economic outcomes for the community, such as job creation, increased wages, and new/increased private sector investments.
- “Capacity building” projects are those that increase communities’ ability to develop sustainable, productive economies, indirectly resulting in economic benefits over time by constructing essential infrastructure, validating potential economic opportunity areas, and increasing educational capacity.
- Small capital projects require that matching funding from non-federal sources be provided in an amount of not less than 25 percent of the Office funds. In-kind matching is acceptable. Matching funds must be used to support the project for which the Office funds are being applied.
- Both direct benefit and capacity building projects must result in measurable outcomes.

Large Capital – The large capital program is characterized by its emphasis on multiple financial partners, its anticipated larger impact on a community’s long-term economic condition, and the larger size of available grants.

- The program requires non-federal matching funds totaling no less than 50 percent of the grant award, with larger match encouraged.
- Evaluation criteria differ somewhat from those for small capital direct economic benefit, including differences in individual criteria weighting.
- In-kind matching is acceptable.
- Only proposals that result in direct economic benefit will be considered for large capital funding, yet proposals that project both direct and indirect benefits are acceptable.



Schedule

The application “window” opened June 1, 2002, and closed July 1, 2002.

- Review process started immediately upon receipt of applications.
- No announcements regarding funding decisions will be made until the entire review process is complete, and funding awards are determined.
- Funds will be made available as soon as possible after award decisions, but probably not before August 2002.

Department of Energy Awards \$300,000 to Tri-City Industrial Development Council (TRIDEC) in Washington State

On June 20, 2001, the Department of Energy (DOE) announced that it will award \$300,000 to TRIDEC. TRIDEC’s goal is to assist affected communities impacted by the ultimate closure of the Hanford facility that has served as the primary employment source for over 50 years. The grant will provide \$200,000 for program administration and \$100,000 for the Asset Reinvestment Program.

The purpose of the Asset Reinvestment Program is to help recruit, expand, or create new businesses within the greater tri-cities community by making available to industry certain physical assets of the DOE Hanford Site as part of the business recruitment or expansion project. The program will be managed by the Tri-Cities Asset Reinvestment Company, LLC (TARC). The \$100,000 for this program will be used to both administer the operation of the TARC as well as to help offset the costs incurred by the Department and the contractor during the excess process. The end objective is the creation of new sustainable jobs in the community.

The DOE’s Office of Worker and Community Transition and TRIDEC have created or retained 1,991 new economy jobs, and estimate that 4,549 jobs will be created or retained by 2005.

For more information please sign-on to the Office of Worker and Community Transition's website: www.wct.doe.gov.

Department of Energy Awards \$300,000 to Eastern Idaho Community Reuse Organization (EICRO)

On June 20, 2002, the Department of Energy (DOE) announced that it will award \$300,000 to EICRO. EICRO’s mission is to diversify the regional economy by creating the widest possible range of employment opportunities for the region’s residents, while preserving and enhancing their quality of life.



The EICRO operates several programs including economic development initiatives, advocacy for the region's emerging information technology industry, and support of entrepreneurial efforts, particularly for businesses operated or created by former Idaho Nuclear Engineering and Environmental Laboratory (INEEL) employees. The Eastern Idaho region has relied on the INEEL for employment and economic support for almost 40 years. EICRO was organized in 1993 under the auspices of the Eastern Idaho Economic Development Council.

The Office of Worker and Community Transition and the EICRO have created or retained 5,160 new economy jobs, and estimate that 9,384 jobs will be created or retained by 2005.

For more information please sign-on to the Office of Worker and Community Transition's website: www.wct.doe.gov.

Department of Energy Awards \$300,000 to Paducah Area Community Reuse Organization (PACRO)

On June 11, 2001, the Department of Energy (DOE) announced that it will award \$300,000 to the PACRO that will be used to minimize future economic impacts of work force restructuring on communities near DOE facilities.

PACRO was formed by regional community representatives from Western Kentucky and Southern Illinois in an effort to mitigate potential downsizing and restructuring of the Paducah work force because of the end of the Cold War and changing DOE priorities. Over 350 new economy jobs and an estimated 700 jobs will be created or retained by 2005 as a result of this grant.

The grant money will be used toward the following:

- providing technical assistance and funding opportunities for small businesses and entrepreneurial start-up projects;
- providing loans, technical support services and financial counseling;
- investing funds to create a regional industrial park to attract businesses and jobs to the area; and
- providing training, resume writing, and job placement assistance to affected employees.

DOE's Office of Worker and Community Transition will administer the grant.

For more information please sign-on to the Office of Worker and Community Transition's website: www.wct.doe.gov.



ASSET MANAGEMENT ACTIVITIES

On June 17, 2002, Michael Owen, Director of the Office of Worker and Community Transition (the Office) met with representatives of the Office of Defense Programs (NNSA/DP), the Defense National Stockpile Center (DNSC), the Defense Logistics Agency (DLA) on several asset management issues. DNSC is seeking storage space for selected stockpile materials as it prepares to transfer its operations elsewhere in the DLA and cease its operations, now scheduled for 2007. DNSC also provided an in-depth review of their sales program activities. Over the past year, they have sold more than \$200 million in precious metals from the Stockpile. NNSA/DP is now assessing the results of the joint meeting with DNSC. They have excess facilities no longer utilized for program needs which may be suitable for a long-term leasing arrangement with DNSC. In addition, they may wish to consider using DNSC professional staff with regard to future sales of excess materials. The Office is supportive of any resultant actions between NNSA/DP and DNSC which would affect either its work force restructuring or economic development programs at NNSA/DP sites throughout the complex.

The Asset Management Program continues to work closely with NNSA/DP on several issues involving critical materials. With regard to possible NNSA/DP candidate sites for storage of the DNSC mercury, it appears that no suitable sites would be made available to DNSC. The Asset Management Program (AMP) has informed DNSC and has suggested other alternative sites, not within the Department of Energy (DOE) complex. The AMP continues to provide support to NNSA/DP on several loan agreements with DNSC. Work was recently completed on the Memorandum of Understanding (MOU) for the loan of DNSC iridium for use at Lawrence Livermore National Laboratory (LLNL). In addition, the AMP is assisting LLNL with fulfilling annual reporting requirements to DNSC associated with the MOU governing the loan of platinum, which is due September 30, 2002. Finally, the AMP is actively engaged in assisting NNSA/DP, Los Alamos National Laboratory and Savannah River in the development of their beryllium program. The AMP has assisted NNSA/DP in the drafting of the Beryllium Addendum to the 2001 Department of Defense Report to Congress on National Defense Stockpile Requirements. The DOE has reserved beryllium metal in the Stockpile for use in the NNSA/DP beryllium program.



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